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"THE ADMINISTRATIVE SET-UP KEY FUNCTION AND RELATED UNIT FUNCTIONS OF THE INDUSTRIAL TRAINING FUND (ITF) NIGERIA

1. INTRODUCTION

The social, political and economic aspirations of the people of a country are the principal factors in the formulation of Government policies. To realise the goals and objectives of these policies, gradual improvement in the educational standard of the masses and the systematic training of the workforce especially in the technical field, is a 'sine-qua-non'.

In the past thirty years or so, much of the legislative decisions and Governments' policy guidelines in African countries, reflected much awareness for vocational education and technical training which in the process culminated in re-allocation of ministerial responsibilities and setting up of administrative or consultative bodies with specific and well-defined role in manpower training and development.

In Nigeria, the accelerated economic activities from the early 1970s, resulting from the economic boom revealed how heavily the country relied on foreign expertise and manpower for the execution of her various economic programmes as mapped out in her national development plans.

The urgent need to initiate policies which would encourage increased and more effective indigenous participation in the national economy, as well as reduce the nation's dependence on foreign expertise in the execution of national plans and economic programmes led to the enunciation, as a directive principle of state policy, of a national philosophy of economic self-reliance.

Two inter-related measures taken by the then Federal Military Government of Nigeria which aimed at transfering the control of industries and placing the national economic destiny into the hands of Nigerians while adhering to the principle of international trade co-operation were:-

i. The promulgation of the Nigerian Enterprises Promotions Decree (1970) and

ii. The establishment, by decrees, of three high powered manpower development agencies:-

(a) The Industrial Training Fund, ITF in 1971.

(b) The Centre for Management Development, CMD in 1972 and

(c) The Administrative Staff College of Nigeria, ASCON in 1973.

The Nigerian Enterprises Promotion Decree and the three manpower development agencies listed above were machineries entrusted with the task of producing on the one hand, highly specialised managers and middle-level manpower and on the other hand highly skilled and effective indigenous labour-force in the national economy. The adoption of the policy of self-reliance and eventual transfer of management and other ancillary functions to Nigerians envisaged that training and retraining of Nigerians would be a continuous process to cope with the new responsibilities demanded of them in the process of national development.

1.1 THE IMPLEMENTATION OF INDIGENISATION OF BUSINESS IN NIGERIA

The 1970 Indigenisation decree classified all businesses operating in Nigeria into three categories, namely:-

a. Enterprises exclusively reserved for Nigerians.

b. Enterprises in respect of which Nigerians must have either majority (60%) or minority (40%) proprietary interests.

c. Enterprises which can be 100% owned by aliens.

In 1977 an amendment decree on indigenisation however reclassified 136 enterprises to three as follows:-

a. 40 "enterprises exclusively reserved for Nigerians

b. 57 "enterprises in respect of which Nigerians must have majority proprietary interests" (of at least 60% interests).

c. 39 "enterprises in respect of which Nigerians must have at least 40% interest".

Under the 1977 decree, it became impossible for any alien to have 100% proprietary interest in any class of business operating in Nigeria. At best, he must share his ownership interests with Nigerians.

Some classes of enterprises which are highly capital intensive found it difficult to secure private Nigerian investors to team up with alien owners in compliance with the indigenisation decree. Federal and State governments came in as partners with the owners of such enterprises holding their shares 'In Trust' for the people. This was how the various Governments in Nigeria got involved in areas of economic activities hitherto reserved for private enterpreneurs.

1.2 ESTABLISHMENT OF THE INDUSTRIAL TRAINING FUND (ITF) AND OTHER MANPOWER DEVELOPMENT ORGANISATIONS

As mentioned earlier in this paper, three high powered manpower development agencies of the Federal Government were established. This paper would give a very brief account of the activities of the CMD and ASCON before discussing in much greater details those of the ITF.

1.3 THE CENTRE FOR MANAGEMENT DEVELOPMENT (CMD)

In 1972, the Nigerian Council for Management Education and Training was established with the responsibility of co-ordinating the training and development of managers in the economy.

The operational arm of this council is the Centre for Management Development (CMD). The centre promotes high national standards of management education and training through the development of training curricula as well as the organisation of various courses, workshops and consultancy services. The Centre also co-ordinates the activities of other management training institutions and organisations such as the Nigerian Association of Schools of Management Education and Training (NASMET) and the Nigerian Institute of Management Consultants (NIMCON).

The Industrial Training Fund provides annual grants for majority of CMD's major operational projects and programmes, while the Federal Ministry of National Planning finances the centre's administrative expenses.

1.4 The ADMINISTRATIVE STAFF COLLEGE OF NIGERIA (ASCON)

Also dealing with management problems is the Administrative Staff College of Nigeria (ASCON), which was set up by the Federal Government. It organises general management courses, advanced management courses, as well as courses which are focussed on specific areas of management like Personnel Management, Financial Management and Project Management. The college also offers courses leading to the award of certificates and diplomas in Public Administration. The services of ASCON are entirely financed by the Federal Government.

2.0 THE INDUSTRIAL TRAINING FUND (ITF)

The Industrial Training Fund was the first of the three parastatals created by the Federal Military Government during the second National Development Plan period (1970-74). It was established by Decree No. 47 of 8th October, 1971, with the aim of "promoting and encouraging the acquisition of skills in industry and commerce with a view of generating a pool of indigenous trained manpower sufficient to meet the needs of the economy."

2.1 THE SOURCES OF REVENUE OF THE ITF

The statutory levy contributions paid by various companies in the industrial and commercial sectors of the economy is the main regular source of revenue of the ITF.

All companies with 25 or more employees are under statutory obligation to pay to the ITF a prescribed amount of levy. Initially, the rate of contribution was fixed as ½% (half per cent) of annual turnover or 3% of annual payroll, which ever was the greater. In 1973, by an amendment Decree, the levy contribution was revised to 2% of annual payroll, which was further reduced to 1% in 1976 following an upward revision of salaries of workers. The 1% of annual payroll is still the rate of ITF levy in force.

The other source of revenue is through subvention from the Federal Government, but except for the initial grant of ₦500,000 (Approx. US$665,000) provided in 1972/73, no further subvention has been received from the Federal Government thereafter.

2.2 FUNCTIONS OF THE INDUSTRIAL TRAINING FUND

To generate the needed pool of skilled and efficient indigenous manpower, the Governing Council of the Industrial Training Fund is empowered by the Decree:

- to provide facilities for training of persons employed in industry and commerce;
- to approve such courses and facilities provided by other persons;
- consistently and regularly to consider operational areas of industry and commerce requiring special manpower development actions and to recommend the kind of training needed, the standard to be attained and to ensure that such standards are met;
- to assist persons in finding facilities for training for employment in Industry and Commerce;
- to carry on or assist other persons in carrying out research into any matter relating to training in Industry or Commerce;
- to reimburse approved training expenses of contributing employers up to a maximum of 60% of levy paid for each training year.

2.3.0 THE ITF GOVERNING COUNCIL

This is the decision making body of the Fund. It is composed of a nominated Chairman and twenty-two (22) members drawn from various sectors of the economy in the following order:

(i) Six (6) representatives drawn from the Federal Ministries of Industries, Economic Development (Manpower Board), Education, Labour, Finance, and Agriculture and National Resources;

(ii) Four (4) representatives from the states;

(iii) Three (3) from the National Employers Consultative Association;

(iv) Three (3) representatives of various chambers of Commerce and Industries;

(v) Four (4) from Trade Unions;

(vi) Two (2) persons with extensive knowledge of and close association with Industrial Training.

This composition reflects the important role the Fund is meant to play in the development of skilled manpower for the nation. The fact that members are drawn from both public and private sectors underscores the co-operative spirit of the enterprise - the need for private employers, organized labour and the providers and users of training to co-operate in identifying training needs and devising training policy and systems.

A break down of the above composition reveals that only ten (10) of the twenty-three (23) members of the Council are drawn from the public sector, while the Chairman and twelve (12) members are from the private sector. By this arrangement the private employers and workers are accorded a special place in the training scheme.

Council has three (3) committees which look into various aspects of the Fund's activities, namely:

(i) The Staff Matters Committee
(ii) The training and Research Committee
(iii) The Finance and General Purpose Committee

These committees have conscientiously and systematically nurtured the various aspects of the ITF and, presently the Fund has become the most efficient manpower development agency in Nigeria. It was in recognition of this fact that the Federal Government up-graded the Fund from Parastatal class "B" to "A" in 1981.

2.3.1 COMMITTEES OF THE COUNCIL

To hasten the activities of the Fund, the Council established the following three specialised committees:

A. STAFF MATTERS COMMITTEE

This committee is responsible for the following functions:

(i) ensuring the efficient running of the affairs of the council in accordance with the aims of the Fund.

(ii) formulating policies regarding the administration of training, aimed at furthering the objectives of the Fund, for the approval of the Governing Council;

(iii) appointing all officers of the Fund and determining their conditions of service, subject to the approval of the Council.

The Committee is made up of nine members of the Council including the chairmen of the other two committees and it is headed by the Chairman of the Governing Council.

B. TRAINING AND RESEARCH COMMITTEE

This committee which would appear to be the technical wing of the council is responsible for the following functions:

(i) preparing for Council's consideration the training and reimbursement policies of the Fund, and keeping them under review.

(ii) vetting and approving individual company's training programmes and recommending to council the payment of appropriate reimbursements to contributers,

(iii) advising the council on which training institutions should be supported by the Fund and for what purpose;

(iv) co-ordinating the activities of Committees charged with training in various industries;

(v) advising on the provision of facilities to meet the demands including the contents and duration of training courses;

(vi) initiating research into matters relating to training for employment in industries, the means by which these needs can be met, the steps necessary to promote the application of the results of research and making recommendations accordingly.

C. FINANCE AND GENERAL PURPOSES COMMITTEE

This committee has the following functions:

(i) considering the annual budget and audited accounts of the Fund for final approval;

(ii) advising on the best ways of investing Council's funds.

2.4 EARLY DEVELOPMENT AT THE FUND

To translate the responsibilities inherent in the above mandate to quantifiable terms for the purpose of implementation, the Industrial Training Fund in its first two years of operations sought to:

(i) generate continous industrial training consciousness among all employers of labour.

(ii) develop and store a wealth of information and expertise on local industries and commerce in Nigeria.

(iii) give financial and expert support to boost the activities of the existing industrial training institutions and establishments; and

(iv) carry-out surveys and evaluate existing training facilities and programmes.

By early 1974, the Industrial Training Fund had completed the first phase of a survey aimed at appraising the manpower training and development problems in industry and commerce.

It was observed from the results of that exercise that:

- although many business executives were aware of the importance of training and retraining as instruments of operational efficiency and economic growth, only a few organisations were offering systematic or meaningful training to their staff,
- the training function even among the organisations which organised training for their staff, training was unplanned and unsystematic.
- training was not regarded as an integral part of companies development policies;
- very many companies paid their Industrial Training Fund levy as a mere statutory obligation which often was seen as additional financial burden on them;
- a large number of organisations had no staff assigned with specific responsibility for training and in most cases where staff were so assigned such responsibilities, they lacked expertise in staff training.
- many Chief Executives were scared of executing staff development programmes for fear of losing their staff after training to competitors.

The above listed observttions posed vital challenges to the Industrial Training Fund. As part of its attempts to solve the problems indentified as listed above, the Fund pre-occupied itself with assistance to employers in order to realize the following broad objectives

(a) that training must become an integral part of each company's operational policy,

(b) that the training needs of each firm or organisation must be identified and appropriate plans and programmes be designed or adapted to meet the identified needs;

(c) that employees must be encouraged to acquire the skills relevant to their jobs;

(d) that training levies paid to the Industrial Training Fund should be seen as a co-operative venture between employers and government and not regarded as an indirect means of taxation; and

(e) that training programmes implemented by employers be periodically evaluated in order to determine their effectiveness.

The action - plan concieved and instituted for the realization of these objectives consists of thirty-five (35) short term, medium and long range inter-related programmes, which were the spring-board for much of the Fund's achievements. These are contained in the attached Appendix I.

3.0 THE EVOLUTION OF A FUNCTIONAL ORGANISATION STRUCTURE, ITS ESTABLISHMENT AND CONSOLIDATION

In the preceding section, we recounted the genesis of the Industrial Training Fund and proceeded to outline the various steps taken and the procedure followed for the articulation of its manpower development services.

The Fund's policy and operational arms were, at that time, made up of the following:-

(i) At the apex of the Fund was the Governing Council with its three Advisory committees (the Staff Matters, the Training and Research, and the Finance and General Purpose Committees);

(ii) The office of 'the Secretary' and Executive Head of the Industrial Training Fund;

(iii) A Finance Department for the collection of levies, the disbursement of grants-in-aid of training and for the payment of approved expenditure incurred by contributing employers in the accomplishment of training; and

(iv) A Training Department - for the determination of the goals which training will seek to accomplish, training needs analysis and identification, the preparation of training plans and programmes to meet identified needs, the provision of advisory and consultancy services; implementation of training prescribed; and the evaluation of the results of training for the improvement of efficiency and effectiveness.

3.1 THE ESTABLISHMENT OF AREA OFFICES

In order to bring the Fund's training and advisory services as near as possible to the employers and to facilitate the collection of levies, field offices, known as Area Offices, were opened at state capitals and other major industrial centres. The first Area Office was opened in Kano in September, 1974 followed by that of Benin in December, 1974, and the Kaduna Area Office in May 1975.

The Area Offices in Ibadan and Aba were opened in April, and May 1976 respectively while Jos Area Office started functioning in October, 1976.

In 1977, the number of Area Offices had increased to ten (10) with the opening of the Ilorin, Port-Harcourt and Calabar Area Offices 1/. Early this year 1984, three new offices were opened in Sokoto, Maiduguri and Enugu to make a total of thirteen (13) Area Offices.

3.2 CONSOLIDATION OF THE FUND'S ORGANISATIONAL STRUCTURE

In 1976, the Federal Government gave approval for an upward revision in the status of the Industrial Training Fund which led to the creation of the post of a Chief Executive for the Fund with the designation of Director, Industrial Training Fund.

By July, 1976 the professional staff strength of the Fund had risen to 60, inclusive of staff at the five (5) Area Offices then in existence.

In consonance with the up-grading of the position of the Chief Executive of the Industrial Training Fund, a new organisation structure was approved for the Fund in 1977 by the Governing Council. Under the new structure, three former Divisions - Training, Finance and Administration - were each elevated to Departmental levels.

1/ Appendix II shows the stages of development and growth of ITF area Offices.

Appendix III shows the geographical locations, in Nigeria, of ITF Area Offices.

3.2.1 THE TRAINING DEPARTMENT

The Training Department was made up of four Divisions which were to perform the following functions:

- Programme and Planning Division: charged with responsibility for the Fund's programme development, records and statistics directories and registers of training facilities and resources, training requirement surveys and data, Fund's programme evaluation and feed-back, liaison with the National Manpower Board;

- Advisory and Consultancy Division: responsible for direction and co-ordination of activities in Area Offices; evaluation of In-Plant training, advisory and consulting services; training standards and guidelines; regular technical assessment of reports for Company training Claims, Advisory Boards and Committees, group training schemes, vocational improvement centres and liaison with professional organisations.

- Training and Development Division: looked after the Fund's staff development, technologists/technicians training, student industrial work experience, liaison with Centre for Management Development (Management and Supervisory Training); instructor, foremen and chargemen training apprenticeship, operatives and semi-skilled training; industrial safety training; approval of training programmes,[2] processing training claims based on technical assessment reports.

- Research and Technical Division: handled industrial training research, methodology and technology, industrial training information services, national industrial training library; audio-visual resource facilities and centres and fund-owned training programmes.

3.2.2 FINANCE DEPARTMENT

At take-off in 1972, only two professional staff were in the service of the Fund, one each in the Finance and Administration Units. A decision had been reached as a matter of priority that the Fund should have a well organised Finance Department to cope with the increasing financial responsibilities.

Thus, by 1976 the Department had a staff strength of fifteen professional Accountants.

Considering the importance and intricacies of levy collections as well as to ensure speedier reimbursement of employers' annual training claims the Finance Department was restructured, in 1977 into three distinct sections namely:

Budget and Investment
Final Accounts; and
Salaries Sections.

3.2.3 ADMINISTRATION DEPARTMENT

The Industrial Training Fund's Administration Department continued to grow over the years. From a single professional staff (the Secretary of the ITD) in 1973, the number of professional Administrator rose to nine (9) in 1977. A re-organisation of the Administration Department in the same year, saw the emergence of three sections:

Establishment and Personnel;
General Administration, and
Public Relations.

This organisational arrangements outlined above remained in operation until 1981, when a major transformation took place in the whole organisation structure of the ITF.

4.0 THE REORGANISATION OF ITF IN 1981

In January 1981, the ITF was upgraded from Class "B" to Class "A" parastatal 2/, and the post of the Chief Executive which was hitherto in the rank of a Director was also upgraded to the rank of Director-General. The existing departments were restructured in conformity with the responsibilities which since the inception of ITF have now assumed new dimensions and diversification. Initially, the ITF being a National Training Organisation, the most significant changes in the process of re-organisation took place in the whole set-up of the Training Department.

At first, the existing Training Department was split into two (2) departments each under a Director viz:

i. Planning, Research and Technology Services (PRT) Department
ii. Training and Consultancy (T & C) Department

2/ Parastatals are bodies set up by Government to carry out, in the public interest, different kind of operations, or render various services. They are sustained wholly or largely by the investment of public funds in them in order to advance some aspects or the other of public policy. Their classification as at 1981 were based on (i) nature of business or operation (ii) size and importance measured by reference to factors such as the number of employees on the payroll or the total capital invested in them. In ascending order, Class "B" headed by a Secretary, Class "B" by a Director and Class "A" by a Director-General.

Later on, in 1983, another new Training Department, the Vocational and Apprenticeship Training (VAT) Department was established from the PRT Department. This VAT Department deals specifically with the National Apprenticeship Scheme which the Fund has been charged with fashioning out policy guidelines and administer the scheme on a national basis. Other structural and organisation changes include merging of the Administration and Finance into one Department under a Director. Also in 1983, a new Division under the Corporate Affairs Division (CAD) was established in the Director-General's office.

The present composition of the ITF as well as its organogram are attached herewith as Appendix VIII. The duties and responsibilities of each Department/Division are as enumerated below:

4.1 THE TRAINING AND CONSULTANCY DEPARTMENT: consists of two Divisions:

- Advisory and Consultancy, and
- Training and Development Divisions.

(i) The Advisory and Consultancy Division

- Co-ordinates the Advisory and Consultancy services offered by the Area Offices to contributing employers.
- Processes the reimbursement claims submitted by contributing employers for all approved training programmes implemented by them.
- Co-ordinates and assists the efforts of the Area Office in the execution of In-Plant training schemes; and
- Through the Fund's Group Training Scheme, encourages small and medium-size firms to pool resources together and set-up Group Training Centres.

(ii) The Training and Development Division is responsible for.

- the co-ordination and implementation of the Fund's Direct Training Programmes.
- The evaluation of employers training facilities and programmes.
- The preparation of Trainer's Manual and Training Guides.
- The In-House training programmes for the different cadres of Industrial Training Fund staff for up-dating knowledge and for the acquisition of new skills and attitudes.

4.2 THE RESEARCH, INFORMATION AND TECHNOLOGY SERVICES DEPARTMENT

Consists of the Research and Information and the Training Technology Services Division.

(i) The Research and Information Division

- maintains a data bank of information on the training and levy collection activities of the Industrial Training Fund for planning and development purposes;
- is responsible for the production of Directories of training facilities.
- organises an Annual Training Conference, a forum for the exchange of ideas and the evolution of decisions on vital issues relating to training and manpower development.
- is responsible for the establishment and development of the Industrial Training library at the Industrial Training Fund Headquarters and its subsidiaries at the Area Offices.

(ii) The Training Technology Services Division of the RITS Department carries out the following functions:-

- Design, development and production of Audio-Visual software and materials in support of the Training function.
- Encourages the skillful and increase usage of Audio-Visual hardware and software through the operation of an Audio-Visual equipment and software loaning service.
- Promotes the diffusion of the goals, techniques and methodology of instructional technology through the organisation of the 'workshop on the Preparation and use of Training aids" and
- is responsible for the Fund's Printing Press and the Production of Printed matters.

4.3 THE VOCATIONAL AND APPRENTICESHIP TRAINING DEPARTMENT

The need for a Department to deal specifically with vocational and Apprenticeship training was made manifest by the following observations:

i. Despite the heavy financial commitments and the efforts of the Industrial Training Fund to see vocational and apprenticeship training system, vocation training remained in a poor state nation-wide;

ii. The curricula of technical education was rather cumbersome and theory-oriented;

iii. Training offered by vocational training institutions used diverse curricula and syllabi and were often designed to suit the capacities of available human and material resources and fell far short of required standards for effective training;

iv. Certification was carried out by an unwieldy number of examining bodies; and

v. The gap between industrial requirements and the terminal performance capabilities of the graduands of vocational training institutions increased with time and with the advancement of technology.

The Fund thereafter shifted its emphasis from "supporting training through financial and other incentives" to a more "active involvement in training" through the establishment of

a. ITF-owned industry-oriented vocational training centre and
b. A unified and standardized system of national apprenticeship.

The Department is charged with the responsibility of:

- implementing the Fund's Apprenticeship Training Scheme.
- the establishment and the supervision of the Fund's Instructor Training Centre (the centre became operational this year).
- the establishment and co-ordination of the Fund's vocational Training Centres 3/.
- initiates all actions necessary for the anactment of a National Apprenticeship scheme.

These functions are carried out at Divisional level by the Vocational and Apprenticeship planning and the Vocational and Apprenticeship Operations Divisions.

4.4 FINANCE AND ADMINISTRATION DEPARTMENT made up of a Finance Division and an Administrative Division.

i. The Finance Division is composed of two sections viz. (General Accounts Section and the Budget, Revenue and Reimbursement Section). This Division

- prepares the annual budget of the Industrial Training Fund;
- maintains complete accounting records of all financial operations of the Fund;
- effectively supplements the efforts of the Area Offices in collecting levy through a Task Force Unit;
- effects payment of recurrent and capital expenditure in accordance with the operative budget;
- manages the investment portfolio of the Fund;
- provides monthly and annual financial statements on the operations of the Fund in compliance with statutory provisions.

ii. The Administrative Division comprising the Personnel and General Administration Sections:-

- ensures effective implementation of the Fund's policies in respect of all administrative matters.
- maintains personnel records.

- organises the recruitment and the deployment of staff in response to determined organisational needs.
- ensures the maintenance of staff welfare services in line with staff conditions of service and operational guideline.
- ensures the over-all maintenance and enforcement of discipline.
- processes staff appraisal for confirmation, promotion purposes, etc.[2]

4.5 THE PUBLIC RELATIONS DEPARTMENT is assigned the following responsibilities:-

- enlightening the general public on the activities of the Fund through the dissemination of information either through print or electronic media.
- the arrangement of passages to facilitate staff movement; and
- ensuring effective communication from within and outside the Fund.

4.6 THE INTERNAL AUDIT DEPARTMENT carries out the scrutiny and investigatory functions over all financial and accounting operations of the Fund. It also renders advisory services to the Management.

4.7 THE LEGAL DEPARTMENT is responsible for

- the preparation and drafting of the Fund's legal documents.
- recovery of debts owed to the Fund by liable contributors, staff and other parties, and
- the provision of legal advice to the Fund's Management.

4.8 THE CORPORATE AFFAIRS DIVISION as its name implies monitors the corporate achievements of the Fund's goals, objectives and workplans. The Division also has its responsibility:-

- originating and documenting for Management's consideration new and improved policies and plans on Fund's Administration Training and Financial activities.
- periodic review of Fund's organisation and methods services (O&M) to ensure effective utilisation of available human and material resources.
- the monitoring of the field activities of the Area Offices identifying the strengths and the weaknesses of their performances, and
- the monitoring of the Fund's capital development projects.

4.9 THE FUND'S AREA OFFICES perform the underlisted functions:-

- the implementation of short off-the-job training courses, workshops and seminars.
- the evaluation of the effectiveness of the Fund's training programmes as well as those of contributing employers.
- the Design, development and execution of In-Plant Training Schemes.
- In-Company Training Advisory Services.
- the processing of re-imbursements to contributing employers in respect of approved training courses organised by them, and
- levy collection from liable contributors.

..... The Fund's present organogram is attached as Appendix IV.

4.10 STAFF OF THE FUND

As at December 1983, the total staff strength of the Industrial Training Fund stood at 1,040. There are over 150 professional staff in the services of the Fund at its Headquarters, Vocational Training Centres and the 13 Area Offices. The Fund's intermediate and junior staff number about 890.

The Fund's professional staff are daily in close contact with their counterparts in industry. The professional training staff, designated as Training Development Officers (TDOs), assist employers in industry and commerce to identify training problems, design and implement programmes to solve the identified problems. In the process of successfully discharging their responsibilities to industry and commerce, many of the Funds professional staff are often targets of poaching from the ITF. The companies in the private sector are able to induce a number of these staff with more lucrative pay and fringe benefit existing in the sector than those of the public sector. The Fund has already put up a very strong case to Government for the removal of ITF from the Federal Public Service unified salary gradings.

5.0 OPERATION OF THE FUND'S LEVY AND GRANTS SYSTEMS

The main source of revenue for the Industrial Training Fund is the levy collected from liable employers as obtained out in Section 2.1 of this paper.

5.1 DISCOVERING NEW LIABLE EMPLOYERS

Various means are used to enlist new liable levy contributors to the Industrial Training Fund. These include information from telephone Directories, Directory of Commercial and Industrial Establishments, Board of Inland Revenue, Employers Association Registers, Chamber of Commerce, Register of Companies and Business names, etc.

Two ITF forms are currently in use, ITF form 7A on completion by a newly discovered company enables the Fund decide whether the company is liable to contribute to it or not. If the company is liable, it will be required to complete ITF form 5 which contains relevant information including the payroll of all its employees.

5.2 DEFAULTING EMPLOYERS

Defaulting employers are employers who are liable to contribute to the Fund but have failed to pay all or part of their annual statutory contribution since incorporation. The cut-off period is the date the Industrial Training Fund Decree was promulgated in 1971. Defaulting employers can be classified into two categories Chronic and Ordinary Defaulters. A chronic defaulter is an employer who has not paid the Industrial Training Fund levy for two or more years. An ordinary defaulter is an employer who owes one year's levy.

The following are some of the reasons for defaulting

- Ignorance of the existence of the Fund. Some companies claim ignorance of the existence of the Fund. This is attributed to communication gap. However, since ignorance of the law is no defence, one cannot excuse such employer from being liable.

- Fear of Dealing with Government. Some private and unenlightened employers feel reluctant to have anything to do with the Government. This can be attributed to ignorance or reluctance to disclose information which they consider confidential to them.

- Recession In Trade. Some employers attribute inability to pay levies to the world wide economic recession that has also affected the Nigerian economy.

5.3 VERIFICATION OF EMPLOYERS RECORDS

ITF Form 5 is completed by companies which have been confirmed qualify for registration as a result of the completion of Form 7A referred to in Section 3.6 of this paper. The information contained in the form includes all the facts required to be disclosed in Form 7A. In addition, employers will be required to provide information on the amount paid to employees as remuneration.

Since all employers do not disclose all the information required in Form 5, the Inspectorate staff at each Area Office are expected to visit all companies which complete Form 5 in order to check the correctness of such information provided. Experience has shown that in many cases, companies have understated the renumeration paid to employees. This is as a result of ommission of some leviable items in their manufacturing, trading or profit and loss accounts.

5.4 PROCEDURE FOR REIMBURSEMENT

The Fund is expected to reimburse contributing employers 60% of the contribution paid if they can satisfy the Fund that they have carried out meaningful and systematic training. Employers are expected to fulfil the following criteria in order to qualify them for reimbursement.

- The training years' levy must have been paid.
- A written training policy approved by Management and made known to employees must be submitted to the Fund.
- The training plan must be acknowledged and the programmes based on identified training needs must be submitted to the Fund for approval before commencement of training.
- Production of satisfactory evidence of training already implemented.

5.5 THE 3RD REVISED REIMBURSEMENT & GRANTS SCHEME

The third revised reimbursement and grants scheme issued in December 1982, provides that an employer can qualify for basic reimbursement up to 60% of the levy paid in each training year. The employer must have trained 15% of the total work force to qualify for maximum award of 60% of levy.

The areas of reimbursement award common to all contributing employers are as follows:

- Safety training and training of managers/instructors both attract a maximum total reimbursement of 9% of the levy paid.
- Other main areas of training focus on Management, professionals, senior technologists and other specialists, supervisory, foremen, chargehands, skilled training, occupational apprenticeship and operatives, relevant education/correspondence courses. All these carry a total of 51% of levy.

The Fund has already undertaken a series of field testing of the 3rd Revised Reimbursement and Grants Scheme, using its Area Offices. The initial indication has been rather positive that employers would benefit slightly more from this scheme than its predecessors. The Fund is convinced that the new Reimbursement and Grants Scheme being introduced would ensure that training is spread through all the cadres of staff in any company that wishes to achieve the statutory maximum reimbursement of 60%. After the full implementation of a few years training activities, a further review of the present reimbursement and Grants Scheme would be made in order to keep abreast of the needs of the economy and the expenditure pattern in staff training and development of contributing employers to the ITF.

6.0 MAJOR PROBLEMS CONFRONTING ITF IN ITS OPERATIONS

It is not the intention in this presentation to show that all have been or are presently smooth sailing for the Fund in the execution of its assigned functions. I therefore wish to briefly discuss two of the issues that have always posed great problems for the Fund.

6.1 LEVY COLLECTION AND THE DEFAULTERS

The Fund, has over the years, virtually relied on levies it is able to collect from liable contributors. These are all employers with 25 or more employees on their respective payroll.

Each Area Office has a team of levy inspectors who regularly undertake levy collection and inspection drives in all companies located within their respective areas of jurisdiction. As Area Offices are working at just about half of their established staff strengths, a levy collection task force consisting of Accounting Inspectors from the Fund's Headquarters Inspectorate staff from time to time reinforce Area Offices in order to recover outstanding and or unpaid levies.

Despite all the efforts of the Fund's levy inspectorate teams, many liable contributing firms are constantly in default as regards their annual training, levy obligations to the ITF.

The Decree establishing the Fund provided penalty for late payment or non-payment of annual training levies due, and also allows for the recovery of both dues and penalties through litigation if need be. The Fund has, however, invoked these provisions only as a last resort where the defiance of recalcitrant defaulters is bound to have adverse effects on their counterparts who are regular in their levy contributions to the Fund.

6.2 RELUCTANCE OF EMPLOYERS TO INVEST ON MANPOWER DEVELOPMENT

The Decree that established the ITF gives it the authority to collect training levies from liable corporate organisations in addition to the responsibility for encouraging liable contributors to develop and implement systematic training policies and programmes for their worker. However, the ITF Decree did not provide any clause that could compel employers that pay their annual training levies, to train their staff. All along, the ITF has relied entirely on encouraging them through the reimbursement of their training expenses and other direct training and Advisory Services, etc. in making these categories of contributors implement any training activity in their company. Consequently, many contributing employers only pay their levies to comply with the law but have no policy or systematic training programmes for their staff. In recognition of this fact, efforts are being made to amend the ITF Decree by inserting a compelling clause which will make employers not only contribute but also train their workers.

6.3 WEAKNESS OF LEVY SYSTEM

The funding system of a national Manpower Development Agency like ITF which is based on a single criterion of payroll figure does not seem to be quite ideal. Serious depression in the economy as a result of world recession, the danger of such a system is too obvious as buoyancy of the companies and consequently of the employment situation are drastically affected under extreme adverse conditons of economy. A marked depletion in the strength of labour-force will inevitably have direct effect on levy on payroll basis, out of balance with far reaching consequencies. In such a situation, it would be extremely difficult, if not impossible for the organisation to perform its very specialised assigned jobs, to provide direct training centres and to carry on with other capital projects besides meeting the cost of its Administrative overheads. The Industrial Training Fund of Nigeria is in search of a more equitable formula for its continued sustenance.

7.0 OUTLOOK FOR THE FUND IN THE 1990s

As the ITF steamlines its human and financial resources over the years, so did it continously review its functional set-up to match reality and especially the resultant pattern that best suits its organisational development. This clearly took precedence over any attempt to evolve a "standard" or "model" organogram, etc. The following issues appear tobe foreseen as areas that may bring drastic but more effective changes in the Fund's overall set-up.

7.1 COMPOSITION OF THE FUND'S GOVERNING COUNCIL

Over the years the ITF has been fortunate in having high quality membership of its Governing Council. Each of the Committee of The Governing Council has always critically assessed policy issues referred to them by the relevant arms of the Fund. Through the members of these committees, the Fund's Governing Council has centred their efforts on policy issues. The Fund's Management has been left to handle its day to day affairs along the administrative, Financial and Training policy guidelines laid down by the Governing Council.

Despite the above however, the Governing Council's membership, which stands at 23, is considered rather unwidely. It has been strongly suggested that this number ought to be pruned down to not more than 13 members, in order to have both reduced cost of Council's expenses as well as greater efficiency. The Fund is presently studying the most effective way of maintaining the present cross-sectional representations of private and public sectors' industrial and commercial interests in a much reduced council membership.

7.2 DEVELOPMENT OF AREA OFFICES

At present, the bulk of the Fund's services to the generality of the employers are rendered through its Area Offices, presently numbering 13 and scattered all over the Federation. It is no doubt that while many more Area Offices are being established,

the existing ones will continue to be further strengthened. The fund is working hard on a programme of developing existing Area Office to become virtually autonomous in order that their Officers-in-Charge (Area Officers) could be vested with greater authority to take more decisions on-the-spot, with little or no reference to the Fund's Headquarters regarding their normal operations.

7.3 REMOVAL OF ITF OUT OF PUBLIC SERVICE STRUCTURE

Owing to the daily contact which the Fund's professional staff members have with their counterparts in industrial and commercial concerns, and the frequency with which professional staff of ITF are poached by employers in the private sector, concerted efforts are being made to get the ITF removed from the public service structure.

The attempts in this regard have not yet yielded fruits, but the Fund's Management is still pressing on. It is strongly believed that the ITF should be allowed to operate as near as possible to the private sector companies which form the bulk of the target population of the Fund's services and programmes. If allowed, the Fund would therefore experiment with various structures and come up with the best that would suit its peculiar circumstances.

7.4 CHANGE IN THE FINANCIAL STRUCTURE OF THE FUND

The only regular source of the Fund's revenue are the levies collected from liable contributors. The Fund's rate of levy has been altered twice from 3% to 2% and finally to 1% of the annual payrolls of liable employers. The present rate of 1% has been in vogue since 1976. The Fund's recurrent and capital expenditure have increased tremendously since 1976, and the absence of any Government subventions have both established high demands for additional sources of funding the ITF.

In the not too distance future, the Fund may be constrained to request government to increase the rate of levy from the present 1% of annual payroll of contrbutors. It is appreciated that any increase in the rate of levy will demand a corresponding increase in the level of employers' training claims since both are tied together. From the early portion of this paper, it is obvious that the Fund is ready to meet the challanges of further improved services to its contributors in order to justify levies collected from them. If the quality of the Fund's services and activities drop, a lot of problems will immediately show up, such as to make the collection of existing rate of levy very difficult, not to talk of with an increased rate of levy.

It should be pointed out however that some centrally funded training (levy) systems in many parts of the world do not have a reimbursement arrangement. The contributors are only off red services and facilities, which include a large number of non-formal Vocational and Instructor Training Centres quite distinct from those of the formal educational training centres. The SENAI of Brazil and INCE of Venezuela are very good examples of this system. Both SENAI and INCE run, in their respective countries, hundreds of very good vocational and apprenticeship training centres.

8.0 CONCLUSION

The ITF sees itself as a continually developing and dynamic entite especially during the next decade i.e. 1985 to 1995. During the last decade, the ITF equitably combated with a number of teething problems, in spite of which, it went a long way in fulfilling the objectives for which the Fund was established. It has already created training awareness generally in the economy and also proved to be a formidable catalyst in influencing a large number of private sector employers to be much more training conscious. Up till a few years ago, a large proportion of contributors to the ITF merely paid their levies and could not be bothered about systematic training of their staff. Presently, a large number of the Fund's contributor not only train systematically, but now also receive the maximum statutory reimbursement as evidence of adequate and meaningful training activities for their indigenous wor force.

Also during this period, ITF changed its emphasis from the reliance on the "use of monetary incentives" to "active direct vocational training". This has led to the establishment of ITF's model Vocational Training Centres, the first of which already became operational since May, 1983. The Fund's emphasis has been directed to the technical training of the intermediate and lower manpower levels, as this is the Area of greatest shortages in the nation's bid for her economic independence.

As a dynamic organisation, the ITF's structural and functional set-ups have always been modified to cope with the complexity and volume of its work rather than sticking to any model structure. The Fund thereofre has been in a position to consider and accept existing structure if found expedient.

The Fund's Management has always placed the greatest emphasis on streamlining the structure and functions of the Fund, based on the challenges and scope of the programme of work to be achieved within specified periods.

Having accumulated some considerable experience in the implementation of a centrally funded training system over the period spanning more than a decade, the ITF of Nigeria is ready at all times, to share such experiences with other sister African nations, in particular, and the international community in general. The establishment and systematic development of the ITF of Nigeria and its activities and services recounted in the fore-going are very strong attestation to the viability and usefulness of centrally funded training systems in a developing country. It is also a manifestation of a successful example of the collaborative venture between government on the one hand and industry and commerce on the other in the acquisition of skills and the creation of effective indigenous manpower resources in a developing African country setting.

INDUSTRIAL TRAINING FUND SHORT-TERM, MEDIUM
AND LONG-RANGE PROGRAMMES, 1972

1. Organises and conduct a series of training courses and seminars for Training Officers and Instructors of contributing establishments.

2. Organise Industrial Boards or Advisory Committees for all occupational fields.

3. Establish Industrial Training Fund's service to provide comprehensive and regular information on Industrial Training Fund and its activities.

4. Expand contribution base of ITF to cover all employers that are liable under the provisions of the Decree.

5. Develop a Training Advisory Service to assist employers ascertain and define their training needs.

6. Establish a registered, organised and standard apprenticeship programme.

7. Develop training courses based on modules of employable skills to upgrade skills level and productivity of Nigerian Labour Force.

8. Assist the Vocational Improvement Centres to improve their effectiveness and broaden the scope of their coverage to all parts of Nigeria.

9. Assist the Centre for Management Development to expand its activities.

10. Assist in the reorganisation and improvement of training by all trade centres, vocational schools and polytechnics.

11. Organise a well equipped and staffed centre for research, development and production of Audio-Visual Aids and Materials.

12. Provide adequate administrative and supporting services to the Governing Council, its Committees and the Industry Boards.

13. Open all training course to girls and women and promote their participation in order to improve utilisation of human resources.

14. Demonstrate that employers' contributions will be entirely used for training and not for the Fund's Administrative costs.

15. Issue definite training and grant policy statements and finalise reimbursement relating to training costs.

16. Establish working relationships with universities, polytechnics, technical colleges, trade centres and school of Mines.

17. Establish the relevance of trades tests standards to the needs of industry and their possible use in preparing training recommendations.

18. Determine which training facilities to set up and with what priorities, craft level, supervisory, management and in what fields.

19. Investigate possibility of setting up Group Training Schemes with employers.

20. Develop a system for training of supervisors, foremen and headmen in the areas of job instructions, human relations and job-method improvements.

21. Develop a manpower training requirements forcast in collaboration with National Manpower Board. This would provide a basis for the Fund's long-term training and development planning.

22. Co-sponsor with public and private education and training institutions, studies concerning the need for up-dating instructional capability, modernising equipment and facilities, etc.

23. Develop the capability of the Programme Department to provide training and development co-ordination services.

24. Provide a scheme whereby potential professional training people are employed by public and private sectors and institutions and assigned to undergo on-the-job training in the Fund for 6 to 12 months.

25. Establish a good reference library on manpower training and to continually serve as a clearing house and repository for data-bank on training for Nigeria and possibly West Africa.

26. Reconstruct the trade centre programmes to integrate the training with In-Plant training on a block or day-release basis for modular training.

27.a. The training Centres of Governmental Para-statal bodies should be classified and summarised by the Fund.

b. The Fund's Training expertise should be made available to them. Their need for instructor training should be accommodated by the Fund.

28. The Fund should take a broad view of its responsibilities so as to include the needs of traditional, un-organised apprentices and other training in addition to those of the contributing establishments.

29. Study the position of the pre-vocational education with the normal school system.

30. Provide necessary means to enable the National Technical Teachers College, Yorba and other similar institutions to expand to meet the needs of Industries.

31. Support, improve or develop the training which already exists in the informal sector and which has produced the vast majority of the tradesmen and semi-skilled workers in Nigeria. Their training should be given the highest priority.

32. Recruit and train Industrial Training Fund staff to be able to evaluate training conducted by contributing establishments and to approve claims promptly.

33. Assess the current and potential training capability of institutions requesting assistance from the Fund.

34. Develop and maintain on-going evaluation and feedback system.

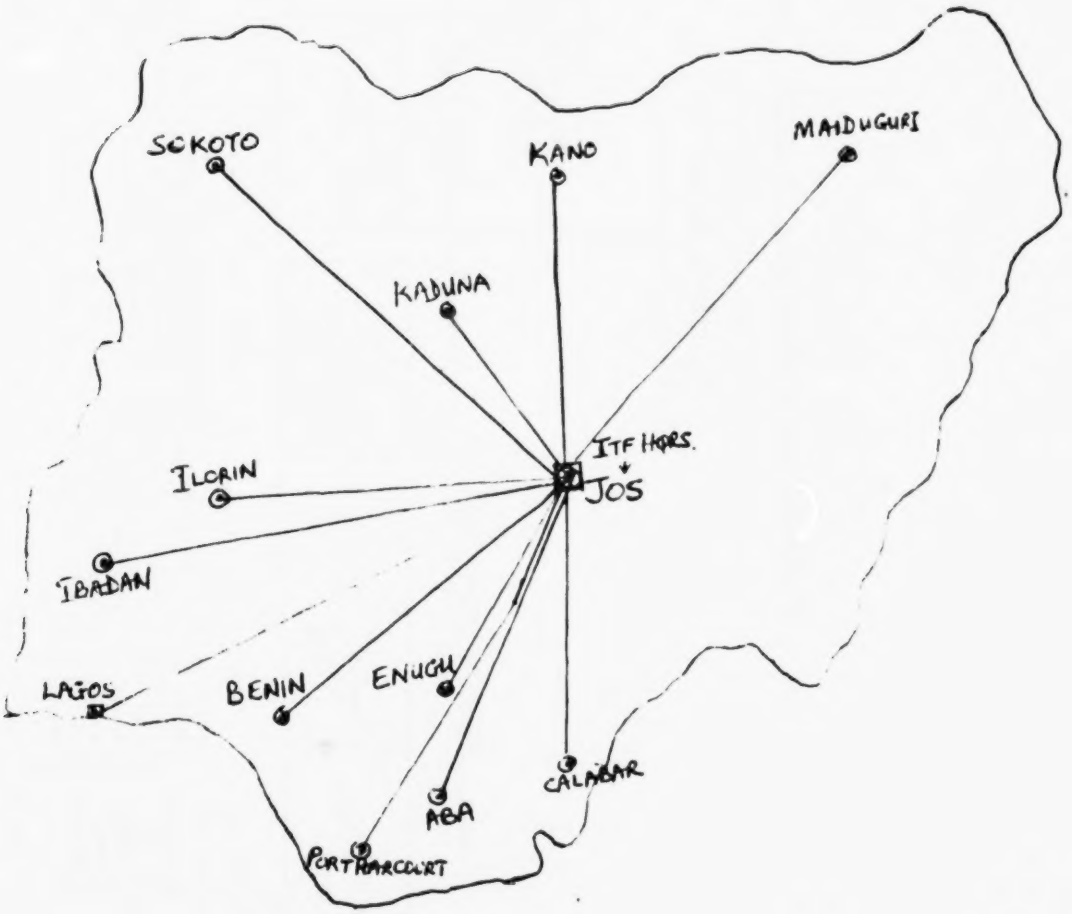
DEVELOPMENT AND GROWTH OF AREA OFFICES

YEAR OF	HEADQUARTERS	AREA OFFICES	LOCATIONS
1971	1	-	Lagos
1972	1	-	Lagos
1973	1	-	Lagos
1974	1	2	Benin, Kano
1975	1	5	Benin, Kano, Aba, Ibadan and Kaduna
1976	1	7	Benin, Kano, Aba, Ibadan, Kaduna, Lagos and Jos
1977	1	10	Benin, Kano, Aba, Ibadan, Kaduna, Lagos, Jos, Ilorin, Port Harcourt and Calabar
1984	1	3	Sokoto, Maiduguri, and Enugu

N.B. The Headquarters of the Industrial Training Fund was moved to Jos late in 1976. The former Headquarters became LAGOS AREA OFFICE.

APPENDIX III

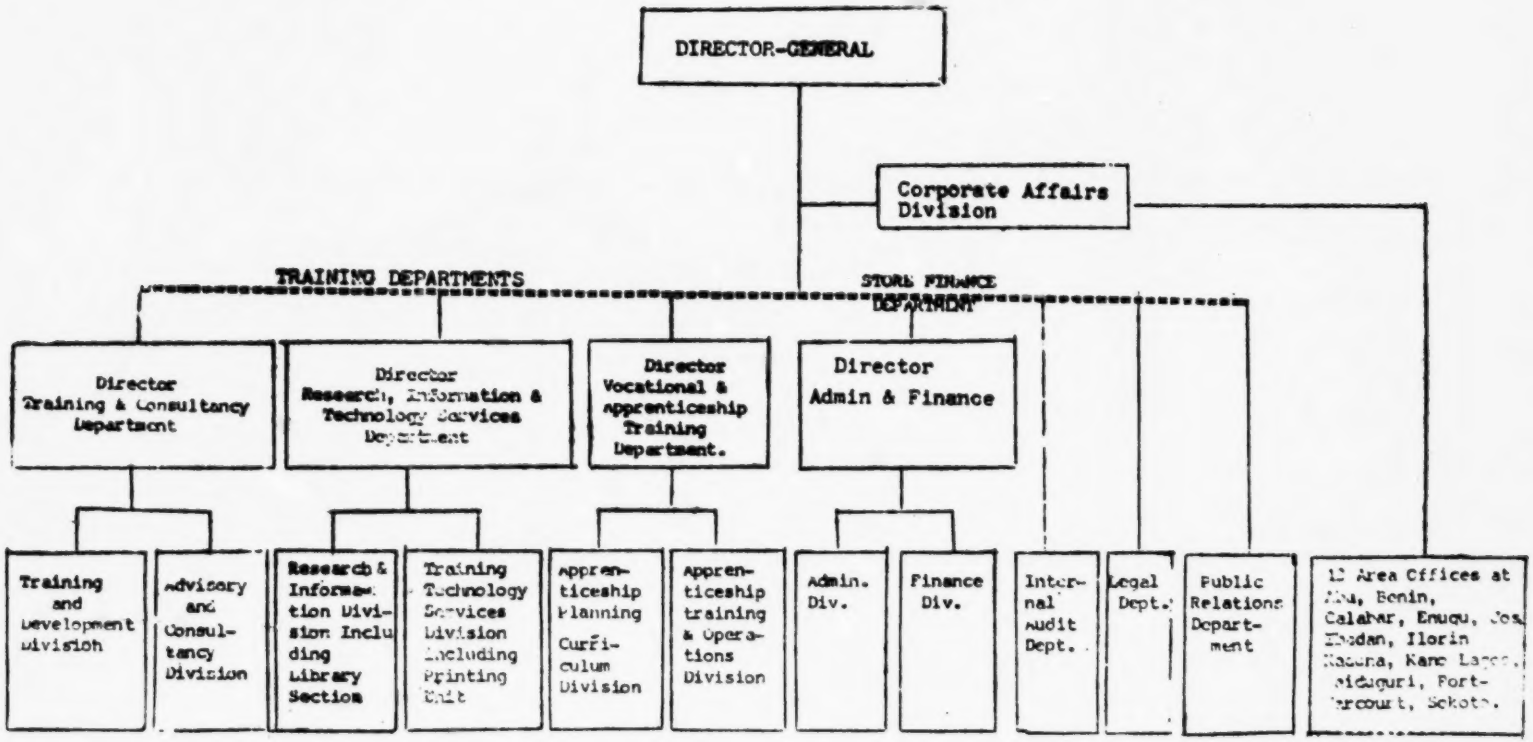
GEOGRAPHICAL LOCATION OF ITF HEADQUARTERS AND AREA OFFICES IN NIGERIA



084-355

ITF HEADQUARTERS ORGANIGRAM AS AT 1ST JANUARY, 1984

APPENDIX IV


DIRECTOR-GENERAL
Corporate Affairs Division
TRAINING DEPARTMENTS
STORE FINANCE DEPARTMENT
Director Training & Consultancy Department
Director Research, Information & Technology Services Department
Director Vocational & Apprenticeship Training Department.
Director Admin & Finance
Training and Development Division
Advisory and Consultancy Division
Research & Information Division Including Library Section
Training Technology Services Division Including Printing Unit
Apprenticeship Planning
Curriculum Division
Apprenticeship training & Operations Division
Admin. Div.
Finance Div.
Internal Audit Dept.
Legal Dept.
Public Relations Department
12 Area Offices at Ilesa, Benin, Calabar, Enugu, Jos, Ibadan, Ilorin, Kaduna, Kano, Lagos, Maiduguri, Port-Harcourt, Sokoto.

THE INDUSTRIAL TRAINING FUND, 1972 - 1984 - A RESUME OF ACTIVITIES AND SERVICES:

Each Department, Section or Unit of the Industrial Training Fund emerged and developed as a result of an identified need for a service or activity associated with manpower development needs of contributing employers.

Some of the Fund's activities and services are high-lighted below:

(i) VISITATION TO FIRMS AND IDENTIFICATION OF THEIR TRAINING NEEDS; The Fund has continuously given regular assistance to enterprises in the determination of their training needs and in the subsequent design and implementation of training programmes to meet ascertained needs. On the average over 1,000 such Company visits are carried out in any one year.

(ii) IN-PLANT TRAINING SCHEMES FOR SMALL AND MEDIUM - SIZE COMPANIES - Through its In-Plant Training Scheme, the Industrial Training Fund has continuously brought about improvements in the lay-out and work - processes of individual enterprises, with resultant increase in productivity. This programme commenced in 1979. In 1981, fourteen (14) such Schemes were carried out; the figures for 1982 and 1983 were forty-three (43) and fifty-six (56) respectively.

(iii) FUND'S DIRECT TRAINING COURSES, SEMINARS AND WORKSHOPS - Beginning from 1974 with the TRAIN-THE-TRAINERS WORKSHOPS, the Industrial Training Fund has organised annually a series of direct training courses, workshops and seminars for the benefit of contributing employers. The underlisted courses, workshops and seminars(*) have been developed over the years, regularly up-dated and implemented for employer's nominees:-

(a) Basic Secretarial Duties Course (incepted in 1978)
(b) Industrial Safety Workshop (incepted in 1976)
(c) Instructional Techniques Workshop (incepted in 1978)
(d) Curriculum Design Workshop (incepted in 1978)
(e) Development of Training Personnel Course (incepted in 1975)
(f) Evaluation Techniques Workshop (incepted in 1978)
(g) Preparation and Use of Training Aids Workshop (incepted in 1977)
(h) Industrial Productivity Workshop (incepted in 1980)
(i) Training Function (formerly 2-day Seminar) (incepted in 1975)

(*) APPENDIX VI is a summary of the Fund's Direct Training Courses.

Between July, 1979 and December, 1982, a total of 4,906 participants had successfully passed through the Fund's Direct Training Programmes.

(iv) Industrial Training Fund NATIONAL CONFERENCE - Since 1981 the Fund has organised an Annual Training Conference which provides a very effective forum for the inter-change of knowledge and ideas on appropriate strategies for human resources development.

(v) VOCATIONAL TRAINING - The Fund has established a National Vocational Training System comprising a set of Pilot Industry - Oriented Vocational Training Centres commenced training in Ikeja, Lagos State and the second will shortly be operational in Kano. Two other Vocational Training Centres are scheduled to take-off next year.

(vi) REIMBURSEMENTS AND GRANTS - The Industrial Training Fund encourages all employers to provide adequate and systematic training for all their employees. Through a comprehensive and well-worked-out Reimbursement and Grant Scheme, the Industrial Training Fund bears a sizeable proportion of the cost of all training programmes approved by the Fund for implementation by employers contributing levies to the Fund.

(vii) GROUP TRAINING SCHEMES - The Fund encourages greater involvement of employers, particularly those of small enterprises, in the organisation and direction of training by encouraging the establishment of training centres, by groups of employers in certain sectors of the economy. The cost of the physical assets and facilities for a Group Training Centre will be jointly borne by the Fund and the members of the group, subject to a limit of 40% liability for the Fund.

(viii) INDUSTRY TRAINING ADVISORY COMMITTEES (ITACS) - Between 1978 and 1981, the Fund established six (6) ITACs for:-

- Mechanical and Automotive Engineering Industry
- Building and Construction Industry
- Textiles Industry
- Hotel and Catering Industry
- Food, Drinks and Drug Industry

The work of these Committees have provided resources materials in the following areas:-

(a) Improvement of Vocational Training Centres
(b) Supervisory Training in all Sectors of Industry
(c) Operatives and Craft Training
(d) Up-dating courses for skilled and semi-skilled workers.

(ix) PRODUCTION AND DISTRIBUTION OF TRAINING AIDS - The Industrial Training Fund develops training aids, learning elements and audio-visual software items to enrich the training process. It also operates a Training Film and Equipment Loaning Scheme as a back-up service to employers.

(x) STUDENTS INDUSTRIAL WORK - EXPERIENCE SCHEME: To supplement the theoretical learning of students from academic institutions with practical exposure to Industrial activities associated with their various disciplines, the Industrial Training Fund initiated and supported the Students Industrial Work-Experience Scheme. The Industrial Attachment became part of the curriculum and requirements for graduation in all engineering and technology courses in Nigerian Universities and Polytechnica. The annual financial grants made by the Fund on this scheme rose from ₦160,000 in 1974 to well-over ₦1,000,000 in 1978. The funding of the scheme has been transfered to both the National Universities Commission and the National Board for Technical Education.

(xi) SUPPORT FOR OTHER TRAINING BODIES:

The Fund has made grants of well over ₦594,000 to cover the costs of the training programmes and activities of the Centre for Management Development (*)

Further, the Fund has also provided financial support to the under-listed bodies:

(i) Nigerian Institute of Management, ₦35,000;
(ii) Nigerian Motor Drivers and Mechanics Vocational Schools, ₦15,000.
(iii) Vocational Improvement Centres and other skills Improvement Centres, ₦111,000.

(Financial support of the kind listed above has been withdrawn due to a shift in emphasis. The Fund is now actively involved in the establishment of its own Vocational Training Centres as opposed to the earlier policy of supporting training).

(*) The Centre, as an agent of the Fund, is responsible for policy formation and the co-ordination of various management and supervisory training efforts.